

## Percentage method of withholding for 2.40 PERCENT LOCAL INCOME TAX

Payroll period	Amount of one exemption	15% allowance for Standard Deduction*	
		MIN	MAX
Weekly	\$ 61.54	\$ 35.58	\$ 53.85
Bi-weekly	\$ 123.08	\$ 71.15	\$ 107.69
Semi-monthly	\$ 133.33	\$ 77.08	\$ 116.67
Monthly	\$ 266.67	\$ 154.17	\$ 233.33
Quarterly	\$ 800.00	\$ 463.00	\$ 700.00
Annually	\$ 3,200.00	\$ 1,850.00	\$ 2,800.00
Daily	\$ 8.77	\$ 5.07	\$ 7.67

\* The standard Deduction is 15% of the gross income with a minimum of **\$1,850** and a maximum of **\$2,800**.

### FORMULA

**Total wages** (before any deductions)

**LESS** Allowance for Standard Deduction (15% of wages for payroll period with a minimum and maximum as set forth for the particular payroll period)

**LESS** Value of exemptions (number of exemptions times the allowable amount for one exemption as shown for the applicable payroll period)

**Equals TAXABLE INCOME**

**Note:** The number of exemptions to be used in this formula is determined from the Form MW507 (Maryland Employee Exemption Certificate) filed by your employee. Form MW507 is available on our Web site at [www.marylandtaxes.gov](http://www.marylandtaxes.gov).

### (a) Married Filing Joint or Head of Household

#### Withholding Daily Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$13.70.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 412		7.15%		
\$ 412	\$ 481	29.46	plus 7.40%	\$	412
\$ 481	\$ 618	34.55	plus 7.65%	\$	481
\$ 618	\$ 824	45.05	plus 7.90%	\$	618
\$ 824	--	61.33	plus 8.15%	\$	824

#### Withholding Weekly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$96.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 2,885		7.15%		
\$ 2,885	\$ 3,365	206.25	plus 7.40%	\$	2,885
\$ 3,365	\$ 4,327	241.83	plus 7.65%	\$	3,365
\$ 4,327	\$ 5,769	315.38	plus 7.90%	\$	4,327
\$ 5,769	--	429.33	plus 8.15%	\$	5,769

#### Withholding Bi-Weekly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$192.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 5,769		7.15%		
\$ 5,769	\$ 6,731	412.50	plus 7.40%	\$	5,769
\$ 6,731	\$ 8,654	483.65	plus 7.65%	\$	6,731
\$ 8,654	\$ 11,538	630.77	plus 7.90%	\$	8,654
\$ 11,538	--	858.65	plus 8.15%	\$	11,538

#### Withholding Semi-Monthly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$208.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 6,250		7.15%		
\$ 6,250	\$ 7,292	446.88	plus 7.40%	\$	6,250
\$ 7,292	\$ 9,375	523.96	plus 7.65%	\$	7,292
\$ 9,375	\$ 12,500	683.33	plus 7.90%	\$	9,375
\$ 12,500	--	930.21	plus 8.15%	\$	12,500

### (b) Single including Married Filing Separately or Dependent

#### Withholding Daily Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$13.70.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 275		7.15%		
\$ 275	\$ 343	19.64	plus 7.40%	\$	275
\$ 343	\$ 412	24.73	plus 7.65%	\$	343
\$ 412	\$ 687	29.98	plus 7.90%	\$	412
\$ 687	--	51.68	plus 8.15%	\$	687

#### Withholding Weekly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$96.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 1,923		7.15%		
\$ 1,923	\$ 2,404	137.50	plus 7.40%	\$	1,923
\$ 2,404	\$ 2,885	173.08	plus 7.65%	\$	2,404
\$ 2,885	\$ 4,808	209.86	plus 7.90%	\$	2,885
\$ 4,808	--	361.78	plus 8.15%	\$	4,808

#### Withholding Bi-Weekly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$192.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 3,846		7.15%		
\$ 3,846	\$ 4,808	275.00	plus 7.40%	\$	3,846
\$ 4,808	\$ 5,769	346.15	plus 7.65%	\$	4,808
\$ 5,769	\$ 9,615	419.71	plus 7.90%	\$	5,769
\$ 9,615	--	723.56	plus 8.15%	\$	9,615

#### Withholding Semi-Monthly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$208.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 4,167		7.15%		
\$ 4,167	\$ 5,208	297.92	plus 7.40%	\$	4,167
\$ 5,208	\$ 6,250	375.00	plus 7.65%	\$	5,208
\$ 6,250	\$ 10,417	454.69	plus 7.90%	\$	6,250
\$ 10,417	--	783.85	plus 8.15%	\$	=10,417

## Percentage method of withholding for 2.40 PERCENT LOCAL INCOME TAX

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Semi-monthly	\$ 133.33	\$ 77.08	\$ 116.67
Monthly	\$ 266.67	\$ 154.17	\$ 233.33
Quarterly	\$ 800.00	\$ 463.00	\$ 700.00
Annually	\$ 3,200.00	\$ 1,850.00	\$ 2,800.00
Daily	\$ 8.77	\$ 5.07	\$ 7.67

\* The standard Deduction is 15% of the gross income with a minimum of **\$1,850** and a maximum of **\$2,800**.

### FORMULA

**Total wages** (before any deductions)

**LESS** Allowance for Standard Deduction (15% of wages for payroll period with a minimum and maximum as set forth for the particular payroll period)

**LESS** Value of exemptions (number of exemptions times the allowable amount for one exemption as shown for the applicable payroll period)

**Equals TAXABLE INCOME**

**Note:** The number of exemptions to be used in this formula is determined from the Form MW507 (Maryland Employee Exemption Certificate) filed by your employee. Form MW507 is available on our Web site at [www.marylandtaxes.gov](http://www.marylandtaxes.gov).

### (a) Married Filing Joint or Head of Household

#### Withholding Monthly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$417.

If taxable net income is:		The amount to be withheld shall be		of excess over
Over:	But not over:			
\$ 0	\$ 12,500		7.15%	
\$ 12,500	\$ 14,583	893.75 plus 7.40%		\$ 12,500
\$ 14,583	\$ 18,750	1,047.92 plus 7.65%		\$ 14,853
\$ 18,750	\$ 25,000	1,366.67 plus 7.90%		\$ 18,750
\$ 25,000	--	1,860.42 plus 8.15%		\$ 25,000

#### Withholding Quarterly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$1250.

If taxable net income is:		The amount to be withheld shall be		of excess over
Over:	But not over:			
\$ 0	\$ 37,500		7.15%	
\$ 37,500	\$ 43,750	2,681.25 plus 7.40%		\$ 37,500
\$ 43,750	\$ 56,250	3,143.75 plus 7.65%		\$ 43,750
\$ 56,250	\$ 75,000	4,100.00 plus 7.90%		\$ 56,250
\$ 75,000	--	5,581.25 plus 8.15%		\$ 75,000

#### Withholding Annual Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$5,000.

If taxable net income is:		The amount to be withheld shall be		of excess over
Over:	But not over:			
\$ 0	\$ 150,000		7.15%	
\$ 150,000	\$ 175,000	10,725.00 plus 7.40%		\$ 150,000
\$ 175,000	\$ 225,000	12,575.00 plus 7.65%		\$ 175,000
\$ 225,000	\$ 300,000	16,400.00 plus 7.90%		\$ 225,000
\$ 300,000	--	22,325.00 plus 8.15%		\$ 300,000

### (b) Single including Married Filing Separately or Dependent

#### Withholding Monthly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$417.

If taxable net income is:		The amount to be withheld shall be		of excess over
Over:	But not over:			
\$ 0	\$ 8,333		7.15%	
\$ 8,333	\$ 10,417	595.83 plus 7.40%		\$ 8,333
\$ 10,417	\$ 12,500	750.00 plus 7.65%		\$ 10,417
\$ 12,500	\$ 20,833	909.38 plus 7.90%		\$ 12,500
\$ 20,833	--	1,567.71 plus 8.15%		\$ 20,833

#### Withholding Quarterly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$1250.

If taxable net income is:		The amount to be withheld shall be		of excess over
Over:	But not over:			
\$ 0	\$ 25,000		7.15%	
\$ 25,000	\$ 31,250	1,787.50 plus 7.40%		\$ 25,000
\$ 31,250	\$ 37,500	2,250.00 plus 7.65%		\$ 31,250
\$ 37,500	\$ 62,500	2,728.13 plus 7.90%		\$ 37,500
\$ 62,500	--	4,703.13 plus 8.15%		\$ 62,500

#### Withholding Annual Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$5,000.

If taxable net income is:		The amount to be withheld shall be		of excess over
Over:	But not over:			
\$ 0	\$ 100,000		7.15%	
\$ 100,000	\$ 125,000	7,150.00 plus 7.40%		\$ 100,000
\$ 125,000	\$ 150,000	9,000.00 plus 7.65%		\$ 125,000
\$ 150,000	\$ 250,000	10,912.50 plus 7.90%		\$ 150,000
\$ 250,000	--	18,812.50 plus 8.15%		\$ 250,000

## Amount to Be Withheld on Annual Bonus Paid In Lump Sum 8.15% of Bonus